

**GAS TRANSPORTATION CONTRACT
FOR SERVICE UNDER RIDER AGG
AGGREGATION SERVICE**

This Gas Transportation Contract for Service under Rider AGG, Aggregation Service ("Contract"), is entered into between Santanna Energy Services ("SVT Supplier") and The Peoples Gas Light and Coke Company ("Company").

For and in consideration of the covenants and agreements contained in this Contract, SVT Supplier and Company agree as follows:

1. Scope of Contract. Service under this Contract is provided pursuant to Rider AGG. Company shall receive, transport and deliver SVT Supplier-owned gas on behalf of SVT Supplier to the Rider SVT Customers in accordance with Rider AGG. SVT Supplier shall make available SVT Supplier-owned gas and pay for service in accordance with Rider AGG. Company's Schedule of Rates is incorporated in and made a part of this Contract by reference. In the event of a conflict between this Contract and the Schedule of Rates, the Schedule of Rates shall govern.

2. Definitions. The following terms, where used in this Contract, and in all forms, amendments, exhibits and appendices related to this Contract, shall have the following meanings:

- a. "Central Time" shall mean the prevailing time in the Central Time Zone.
- b. "Contract Year" shall mean the twelve-month period commencing each April 1 during the term of this Contract.
- c. "Delivery Point" shall mean the outlet side of Company's meter on the premises of each Rider SVT Customer for which SVT Supplier delivers gas pursuant to Rider AGG, and each such premises shall be a Delivery Point.
- d. "Receipt Point" shall mean any point of interconnection between Company's facilities and a Transporter's facilities.
- e. "Rider AGG" shall mean Rider AGG, Aggregation Service, of Company's Schedule of Rates, as it may be revised from time to time.
- f. "Rider SVT" shall mean Rider SVT, Small Volume Customer Transportation Service, of Company's Schedule of Rates, as it may be revised from time to time.
- g. "Rider SVT Customer" shall mean a Customer of Record eligible for service under Rider SVT for which SVT Supplier will be delivering gas to Company and acting as such customer's sole agent for purposes of service under Riders SVT and AGG.

- h. "Schedule of Rates" shall mean Company's Schedule of Rates for Gas Service on file and in effect, as revised from time to time, with the Illinois Commerce Commission or any successor to that agency.
- i. "Transporter" shall mean the pipeline or pipelines that transport SVT Supplier-owned gas to the Receipt Point.
- j. "Transporter's Tariff" shall mean Transporter's FERC Gas Tariff on file and in effect, as revised from time to time, with the Federal Energy Regulatory Commission or any successor to that agency.

Capitalized terms used in this Contract but not defined in this Paragraph 2 shall have the meaning ascribed to such terms in Rider AGG.

3. Term of Contract. Subject to the terms and conditions of this Contract, this Contract shall be effective for an initial term commencing on the date it is signed by Company and ending on the first March 31 following such commencement date, **AND IT SHALL EXTEND FROM YEAR TO YEAR THEREAFTER SUBJECT TO THE RIGHT OF EITHER PARTY TO TERMINATE THIS CONTRACT AT THE END OF THE INITIAL TERM OR OF ANY YEAR TO YEAR EXTENSION OF SUCH INITIAL TERM BY WRITTEN NOTICE GIVEN NO LESS THAN THIRTY (30) DAYS PRIOR TO THE LAST DAY OF THE INITIAL TERM OR ANY YEAR TO YEAR EXTENSION OF SUCH INITIAL TERM.** The termination of service under this Contract shall not release SVT Supplier from the obligation to make payment of any amounts due or to become due in accordance with the terms of this Contract.

4. SVT Supplier Warranties.

- a. SVT Supplier warrants that it has obtained agreement with each Customer of Record for which it will be delivering gas to Company and acting as such customer's sole agent for purposes of service under Riders SVT and AGG.
- b. SVT Supplier warrants that it has obtained the necessary authority from Rider SVT Customers for which it is delivering gas and agrees to provide Company access to agency or other agreements and records, including telephone tapes, for purposes of auditing compliance with this Contract.
- c. SVT Supplier agrees to retain the documents and records needed to verify the warranties provided in this Paragraph 4 for no less than one (1) year after SVT Supplier ceases to provide service to the Rider SVT Customer to whom the documentation and records apply.

5. Obligations. SVT Supplier and Company each agree to comply with all applicable requirements, including those governing providing and paying for service, under Company's Schedule of Rates.

6. Adequate Assurances of Payment. On or before December 1 of each Contract Year, SVT Supplier shall provide adequate assurances of payment to Company in a form and amount determined by Company pursuant to Rider AGG and this Contract.

a. Letter of Credit. If such assurances are in the form of an irrevocable standby letter of credit, then the issuer of said letter of credit must be a commercial bank with offices in Chicago, Illinois. At a minimum, said letter of credit must provide that: (i) Company is the beneficiary; (ii) modification or revocation is allowed only with Company's consent; (iii) payment by the issuer is authorized if SVT Supplier is in payment default under a Rider AGG contract with Company; (iv) notice of default from Company to SVT Supplier is sufficient documentation for an issuer to honor a demand for payment; and (v) payment of a portion of the credit is authorized. The letter of credit shall not become effective until it is: (i) in writing; (ii) signed by the issuer; and (iii) the original of such letter of credit is received by Company.

b. Cash Deposit. If such assurances are in the form of a cash deposit, then it shall be provided to Company by check or wire transfer in immediately available funds. Company shall pay interest on such cash deposit at the rate established by the Illinois Commerce Commission pursuant to 83 Illinois Administrative Code Part 280. The parties agree that the cash deposit provided for in this Paragraph 6 is not a deposit as that term is used in the Commission's rules and regulations at 83 Illinois Administrative Code Part 280, and, except as to the applicable interest rate, such rules and regulations do not govern the manner in which the cash deposit is remitted and used pursuant to this Contract.

c. Parental Guaranty. If such assurances are in the form of a parental guaranty, then such parental guaranty shall be in a form and issued by a guarantor acceptable to Company in its reasonable judgment. If, at any time, the guarantor's rating of its long-term unsecured debt (unsupported by third party credit enhancement) falls below BBB as rated by Standard & Poor's Corporation or below Baa2 as rated by Moody's, then SVT Supplier must promptly substitute a cash deposit or letter of credit for the parental guaranty; provided, that in event of a split rating by Standard & Poor's Corporation and Moody's, only the lower of the two ratings shall be deemed to be guarantor's applicable rating.

7. Receipt Point. Company agrees to receive SVT Supplier-owned gas for the purpose of service under Rider AGG at any Receipt Point, subject to the Operational Integrity provision of Company's Schedule of Rates.

8. Delivery Point. SVT Supplier-owned gas transported by Company under this Contract shall be delivered to Rider SVT Customers by Company at the Delivery Point.
9. Rider SVT Customer Information. SVT Supplier acknowledges that it is required by Rider AGG to submit certain information to Company by electronic data transmission in a manner determined by Company. If any transmitted data are received in an unintelligible or garbled form, then Company shall notify SVT Supplier. SVT Supplier may then retransmit the data. Company shall not be liable for any consequences associated with or resulting from such unintelligible or garbled data, and Company shall have no responsibility to enroll any Customer of Record for service under Rider SVT until the necessary data are received in intelligible form.
10. Delivery Data. In order to establish the quantity of SVT Supplier-owned gas accepted into Company's system, the parties agree as follows:
 - a. Each Gas Day during the term of this Contract, SVT Supplier shall be required to deliver to Company a quantity of gas equal to the Required Daily Delivery Quantity.
 - b. If SVT Supplier elects to submit delivery data by facsimile, then no later than 10:30 a.m. Central Time one (1) day prior to the Gas Day for which SVT Supplier has scheduled deliveries by Transporter into Company's system, SVT Supplier shall provide Company a report in the format required by Company of any daily quantity to be delivered on SVT Supplier's behalf by Transporter to the Receipt Point. If SVT Supplier elects to submit delivery data using Company's electronic bulletin board, then the applicable deadline is 11:30 a.m. Central Time.
 - c. If the delivery quantity reported to Company by SVT Supplier for a particular Gas Day does not reconcile with the downstream or upstream quantity reported by a corresponding party, then Company, in its discretion, shall either accept the smaller quantity into Company's system or reject the nomination change if the discrepancy is not reconciled prior to 3:30 p.m. Central Time on the Gas Day prior to the effective Gas Day.
 - d. SVT Supplier agrees that delivery data provided in accordance with this Paragraph 10 shall be deemed final and binding as between SVT Supplier and Company for billing and all other purposes. When delivery data received by Company are insufficient to determine the quantity of SVT Supplier-owned gas delivered to Company, then, in addition to any other remedies available to it, Company may, by such reasonable method as it may choose, including by estimation, determine SVT Supplier's daily and monthly delivery quantity; such determination shall be final and

binding as between SVT Supplier and Company for billing and all other purposes. Company shall not be obligated to accept any retroactive changes in delivery data. Any imbalances, discrepancies or disputes relating to delivery data shall be resolved exclusively between Transporter and SVT Supplier.

e. Company may revise the deadlines set forth in this Paragraph 10 by prior written notice to SVT Supplier in order to conform to generally applicable deadlines in effect for Company's transportation customers.

11. Quality and Pressure. The SVT Supplier-owned gas delivered by Transporter at each Receipt Point shall meet the minimum quality and pressure specifications contained in Transporter's Tariff. The gas delivered by Company under this Contract shall meet the minimum quality and pressure specifications contained in Company's Schedule of Rates.

12. Measurement. SVT Supplier shall make gas available to Company, as nearly as practicable, at uniform hourly rates of flow. SVT Supplier-owned gas delivered to Company by Transporter at each Receipt Point shall be measured by Transporter in accordance with the terms of Transporter's Tariff and metering practices applicable to deliveries to Company. The gas delivered by Company to Rider SVT Customers in SVT Supplier's Pool(s) under this Contract shall be measured in accordance with Company's Schedule of Rates.

13. Billing Statement. Company shall issue to SVT Supplier a billing statement each month of the amount due for all service rendered under this Contract during the preceding billing period. The amount due under this Contract shall be determined in accordance with the measurements, computations and charges provided in this Contract. To the extent that actual data are unavailable for any portion of a billing period, Company may render its billing statement based on estimated data. Company shall mail the billing statement to SVT Supplier at the address set forth in Paragraph 17. For purposes of billing and payment, service under this Contract shall be deemed "non-residential" service.

14. Indemnity. SVT Supplier shall indemnify Company, its officers, directors, and employees and save each of them harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses, including court costs and attorneys' fees, arising from or out of the purchase and transportation of SVT Supplier-owned gas prior to its receipt by Company at the Receipt Point, including, without limitation, balancing or scheduling charges or penalties on Transporter's system.

15. Control and Possession of Gas. As between the parties to this Contract, Company shall be deemed to be in control and possession of the gas deliverable to SVT Supplier under this Contract from the time of its receipt by Company at the Receipt Point until its delivery to the

Delivery Point(s). Company shall have no responsibility with respect to such gas prior to its receipt at the Receipt Point, at and after its delivery to the Delivery Point or on account of anything that may be done, happen or arise with respect to such gas prior to such receipt or after such delivery.

16. Title to Gas. As between Company and SVT Supplier, SVT Supplier shall at all times be deemed to have title to the gas delivered to Company at the Receipt Point. SVT Supplier warrants that it has good title to or the right to deliver all gas received by Company at the Receipt Point under this Contract, free and clear of all liens, encumbrances and claims whatsoever, and that it shall indemnify Company, its officers, directors, and employees and save each of them harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses, including court costs and attorneys' fees, arising from or out of adverse claims of any or all persons to said gas or to royalties, taxes, license fees or charges thereon that are applicable prior to the receipt of such gas by Company.

17. Notices.

a. Company. Notices (except nominations) to Company shall be sent by facsimile or mail to:

The Peoples Gas Light and Coke Company 130 East Randolph Drive 22nd Floor Chicago, Illinois 60601	
Attn:	Gas Transportation Services, Choices For You sm
Telephone:	(312) 240-7546
Facsimile:	(312) 240-4704

Nominations shall be sent by facsimile or by use of Company's electronic bulletin board to:

The Peoples Gas Light and Coke Company 130 East Randolph Drive 22nd Floor Chicago, Illinois 60601	
Attn:	Gas Transportation Services
Telephone:	(800) 264-8026
Facsimile:	(312) 240-4704

b. SVT Supplier.

Notices to SVT Supplier shall be posted on Company's electronic bulletin board or sent by facsimile or mail to:

Santanna Energy Services 6907 N. Capital of Texas Hwy., #332 Austin, TX 78731	
Attn:	Pam Durnin
Telephone:	1-512-346-2500 x.22
Facsimile:	1-512-346-2578
e-mail:	durnin@ses4energy.com

Required Daily Delivery Quantity information shall be posted on Company's electronic bulletin board or sent by facsimile or e-mail to:

Attn:	Pam Durnin
Telephone:	1-512-346-2500 x.22
Facsimile:	1-512-346-2578
e-mail:	durnin@ses4energy.com

Invoices shall be sent by mail to:

Santanna Energy Services 6907 Capital of Texas Hwy., #332 Austin, TX 78731	
Attn:	Accounts Payable
Telephone:	1-512-346-2500 x.25
Facsimile:	1-512-346-2578

18. Government Regulation.

- a. If any regulatory body, governmental entity or agency having jurisdiction prohibits any of the transactions described in this Contract or otherwise conditions such transactions in a form that is unacceptable in the sole judgment of the party affected thereby, then the

party so affected may prospectively terminate this Contract immediately by written notice stating the date of such termination.

- b. This Contract and all provisions herein shall be subject to all applicable and valid statutes, rules, orders and regulations of any regulatory body, governmental entity or agency having jurisdiction over either party's facilities or services, this Contract or any provisions hereof. Neither party shall be held in default for failure to perform under this Contract if such failure is due to compliance with such statutes, rules, orders and regulations of any regulatory body, governmental entity or agency having jurisdiction.
 - c. Subject to Paragraph 18(a), should either party by statute, rule, order or regulation be ordered or required to do any act inconsistent with the provisions of this Contract, this Contract shall be deemed modified to conform with such statute, rule, order or regulation. Nothing in this Contract shall prevent either party from contesting the validity of any such statute, rule, order or regulation, nor shall anything in this Contract be construed to require either party to waive its right to assert the lack of jurisdiction of any regulatory body, governmental entity, or agency over this Contract or any party hereto.
19. Non-Waiver and Future Default. No waiver by either Company or SVT Supplier of any one or more defaults by the other in the performance of any provision of this Contract shall operate or be construed as a waiver of any future default or defaults, whether of a like or a different character.
20. Assignment of Contract. No party may assign this Contract except with the prior written consent of the other party.
21. Governing Law. This Contract shall be construed and enforced in accordance with the laws of the State of Illinois without regard to principles of conflicts of law. The parties agree that the forum of any litigation shall be before the Illinois Commerce Commission, or any successor to that agency, or in a state or federal court located in Cook County, in the State of Illinois.
22. Third Party Beneficiary. Company and SVT Supplier agree that there is no third party beneficiary of this Contract and that the provisions of this Contract do not impart enforceable rights to anyone who is not a party.
23. Entire Agreement of the Parties. This Contract constitutes the entire understanding of the parties. No amendment, modification or alteration shall be binding unless the same be in writing, including in the form of an amendment to this Contract signed by both parties or a revision to Company's Schedule of Rates approved or permitted to become effective by the Illinois Commerce Commission, or any successor to that agency and no course of dealing or course of performance between the parties shall be construed to alter the terms of this Contract.

Notwithstanding the foregoing, modifications pursuant to Paragraph 10(e) or changes to the information set forth in Paragraph 17 must be in writing but need not be signed by both parties.

24. Captions. The captions are inserted for convenience of reference only and shall not affect the construction or interpretation of this Contract.

IN WITNESS WHEREOF, the parties hereto have caused the Contract to be executed in duplicate by a duly authorized representative.

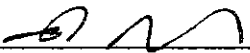
The Peoples Gas Light
and Coke Company

By: 
(signature)

Name: Pam Durnin
(print or type)

Title: Manager

Date: 4/10/02

By: 
(signature)

Name: Desiree Rogers

Title: Senior Vice President

Date: _____